

Kentucky Agricultural Development Fund Update

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A Farewell Note from John-Mark Hack

I want to take this opportunity to share with you how proud I have been over the past 5-plus years to be an "alumnus" of the Cooperative Extension Service (CES) system, especially in the context of the position that I am now leaving. Major changes in Kentucky agriculture have converted to major new responsibilities for CES personnel. Agents and specialists all across the state have risen to the challenges in truly extraordinary ways.

During my time in the Governor's Office of Agricultural Policy, we have seen over \$680 million transmitted to the farm community all across the Commonwealth. And whether it was the Phase II program, the TLAP program, Aquaculture Pond Construction Cost-Share, or the Agricultural Development Fund, Extension personnel have been there every step of the way to make the right things happen at the right times.

I must admit that I did in fact have some role to play in directing things toward Extension. I believed then, as I do now, that Extension was the only organization capable of meeting the challenges we have faced over the past few years. I will always be grateful to all of you who validated my thoughts and proved the CES network to be an invaluable resource for the Commonwealth.

I want to also extend my deepest gratitude to Dean Scott Smith and Dr. Larry Turner for their exemplary

leadership of your organization. I believe that in a few years we'll all look back and be amazed at what has been accomplished by our county agricultural development councils, our state board, and the new agricultural entrepreneurs who are reshaping Kentucky's farm economy. From my perspective, the revolution could not have begun without the commitment and dedication of the fine folks in CES offices in every Kentucky County.

Kentucky is my home, and will always be. I'm looking very forward to becoming a regular consumer of CES services (watch out Woodford County CES!). I'm also looking forward to reminiscing on the tremendous things that have been accomplished by the thousands of people involved in the Agricultural Development process. Every one of them has some connection to Extension, and for that you should be proud.

The work is only just beginning, though. We must all maintain and, in fact, intensify our commitment to what has been started the past few years, so that rural Kentucky can achieve its tremendous potential. We have a much better chance of doing just that, because of the CES network. Keep up the good work, and keep in touch.



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*Cultivating rural
prosperity*

DATES TO REMEMBER:

June 13 —Board Project
Review (Frankfort)

June 20—Board Meeting,
1:00 p.m. Duntreath Farm
(Lexington)

ELECTRONIC MAILING LISTS

Would you like to receive notice of web site updates as they are posted? Or receive notices from the Grant Bulletin?

If you said yes to either question, then send an e-mail to govkyagpolicy@mail.state.ky.us and let us know which update you would like to receive.

ADF Board Meeting in Review

At its May 2003 meeting, the Kentucky Agricultural Development Board funded approximately \$5.6 million in diversification projects for Kentucky agriculture.

Seven non-model projects were approved for \$1,171,795 in state, and \$107,820 in county funds. These projects ranged in scope from expansion of a commercial meat processor to include goat meat to shared-use produce equipment.

The balance of funds approved were for the eight model programs. County model programs are designed to provide farmers with cost-share funding to allow them to improve and diversify their current production practices.

Bath, Jessamine, Monroe,

Owen, Owsley, Spencer and Woodford Counties committed a total of 473,500 to the **Agricultural Diversification** Program. A total of \$210,000 was committed to **Fencing Improvement** in Robertson County. An additional \$868,890 was committed to **Forage Improvement** Programs in Clinton, Fleming, Franklin, Henry, Jessamine, Lincoln, Madison, Meade, Nelson, Owen, Robertson, Trimble, and Woodford Counties. **Cattle Genetics Improvement** Programs were increased by a total of \$311,951 in Bath, Caldwell, Fleming, Grayson, Meade, Nelson, Owen and Woodford Counties. Hancock, Meade, Owen, Russell, and Spencer Counties contributed a total of \$119,499 to **Goat Diversification**. Bath, Bracken, Caldwell, Fleming, Grayson, Laurel, Madison, McCreary, Meade, Nelson, Owen, Pulaski, and Rowan Counties committed a total of \$650,793 to the

Cattle Handling Program. 16 new **Hay, Straw & Commodity Storage** Programs were implemented in Bath, Fleming, Franklin, Laurel, Grant, Harrison, Lincoln, Madison, Mason, Meade, Oldham, Owsley, Robertson, Scott, Spencer, and Woodford Counties for a total of \$1,615,106. Madison County made the first commitment to the **On-farm Water Enhancement** Program of \$53,550.

Also during this meeting, the report for the vermiculture marketing study was presented, and the Kentucky Beef Network provided an update of their programs from the last two years.

For a complete listing of projects funded view the latest ADF release at <http://www.kyagpolicy.com/news/>.

Timing of Tobacco Payments

Over the past three years, the tobacco companies have been making payments to the state twice a year – once in January and once in April. Many county councils have been submitting funding recommendations for proposals based upon the yearly estimated county receipts. Processing these recommendations has been challenging during the past five months, because the Agricultural Development Board has taken the position that they will not approve projects in which there are not currently sufficient funds. The time interval between the county council submission of funding recommendations and actual deposits into the county account has required staff to work with the county councils to modify the requested dollar amounts, so as to not exceed the amount in each county's account. Unfortunately, this process has

been extremely time consuming for both county council administrators and our staff.

Beginning in 2004, tobacco payments will only be made in April of each year. Consequently, the challenges we have all faced, related to the timing of the payments, should not occur in the future. However, all county councils need to be proactive in anticipating funding needs in light of a once a year payment.

When considering proposals for 2004 money, remember that payments will not be received into the county accounts until the end of April. For example, say the Cattle Genetics Program needs more funds for an early spring cycle in 2004. It would be in the county's best interest for the program administrator to submit the request early enough in 2003, so that the funds are committed.

Otherwise, if the administrator waits until January 2004 to submit a request, then they run the risk of no county funds being available until after their intended funding cycle. Therefore, it would be prudent to allocate funds from April to April rather than relying on the calendar year (January through December). This, however, is only a suggestion and by no means is a requirement.

For your reference, a county activity balance sheet is posted on our website. This sheet is updated monthly after each Agricultural Development Fund Board meeting. If you have questions about your county's balance or identify a discrepancy with the county activity sheet, then please contact your county's Project Analyst at our office.

Model Program & Project Reporting

As you may know, the deadline for 2003 2nd Quarter Reporting is coming up on July 15. Program administrators and other ADF funded applicants have fiscal reports that are due 15 days after the end of each calendar quarter.

Reporting Deadlines

Quarter	Date
1st	April 15
2nd	July 15
3rd	Oct. 15
4th	Jan. 15

As you may have also encountered, program administrators delinquent in reporting for a specific program may have subsequent disbursements for that program held, until reporting is up-to-date. Standard model program reporting forms have been available for over a year, and must be used. These reports provide important data for analysis of the programs. Therefore, the reports submitted must be in a consistent format within each program.

Model Programs: Reporting forms for model program administrators are available on our website at http://www.kyagpolicy.com/funds/program_reporting.shtml. Forms are also available on each of the model program web pages. If an administrator needs a different format or is having trouble downloading the forms, then call [(502) 564-4627] or e-mail [govkyagpolicy@mail.state.ky.us] our office for assistance.

Projects: Award recipients for non-model projects should consult their legal agreements for any reporting requirements beyond general fiscal reporting. There is not a standard form, yet, but the quarterly report should include the following: project name, tracking number, contact information, detail of money spent for that quarter, and a summary of project activity for the quarter, including an explanation for any delays in the project and the percent completion. Closing reports are due 60 days after the ending date of the legal agreement.



John-Mark Hack speaks at a Farm Family Education Expo.

Copies of ADF Application for Submission:

Model: original & 1 copy

*All other: original & 16
copies*



2003 Agricultural Entrepreneur Winners
*Green River Cattle Co. and
Little KY Smokehouse*

GOAP Website Updates

County Account Availability as of 5/23/03 posted:
<http://www.kyagpolicy.com/funds/availability.shtml>

Dairy & Meat Goat Study Presentation of Findings:
http://www.kyagpolicy.com/kcade/market_studies.shtml

Model Program Reporting Forms:
<http://www.kyagpolicy.com/funds/reporting.shtml>

KCADE Resource Links page updated:
http://www.kyagpolicy.com/kcade/resource_links.shtml

ADF Board Meeting Details updated:
<http://www.kyagpolicy.com/board/meetings.shtml>

GOAP Calendar updated:
<http://www.kyagpolicy.com/calendar.shtml>

KCADE Grant Bulletin updated:
<http://www.kyagpolicy.com/kcade/grant.shtml>

Free Publicity

Do you need another way to get the word out about your event or educational opportunity? Post your event on the KCADE calendar.

Simply send an e-mail [govkyagpolicy@mail.state.ky.us] or fax [(502) 564-8990], which includes the event title, location, date & time, short description, cost, web-site URL, and contact information.

Please submit events at least two weeks in advance of the event date. Contact Sandy Gardner at (502) 564-3186 for more information on posting to the calendar

Upcoming Meetings

Tobacco Settlement Oversight Committee

Tuesday, June 10

1:30 p.m.

Capitol Annex Room 131

Governor's Commission on Family Farms

Wednesday, June 11

10:00 a.m.

Berry Hill Mansion

KY Agriculture Finance Corp.

Friday, June 13

9:30 a.m.

Old Capitol Annex

If you wish to receive any of the documents mentioned in this newsletter either via fax or regular mail, please contact our office by e-mail, govkyagpolicy@mail.state.ky.us, or by phone, (502) 564-4627.

